

DEFENSE LOGISTICS AGENCY
AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY



FY 2011 CFO Inventory Sampling Plan Execution

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Plan Execution

- The CFO Sampling Plan development to execution in less than one year
- Based on one standardized sampling plan for all Services and DLA
- 28 DLA storage locations selected randomly for CFO Inventory Sampling
- 19 CONUS storage locations
- 9 OCONUS storage locations
- 3700 NIINs selected
- Execution Dates September 1 – September 30, 2011



CFO Activity

- Random Sampling Design
 - One sample plan developed for DoD to meet CFO requirements
 - Statistically sound and manageable workload for DLA Distribution
 - Air Force statisticians provided methodology/expertise
- Creating the Sample
 - Stratification agreeable to each Service and DLA
 - Randomly select NIIN/Distribution Center (DC) combinations for inventory
 - NIIN/DCs selected randomly from a population of 2,923,784
 - Used Probability Proportional to Size (PPS) methodology
 - Strata Size is percentage of overall dollar value applied to record balances
 - e.g. 10 % of total inventory \$ value is estimated for strata 1
 - 800 NSN limit for each Service – 10% (or 80) inventories are applied to strata 1



CFO Inventory Strata

1. Extended Dollar Value between \$0 and \$9,999.99
2. Extended Dollar Value between \$10,000 and \$99,999.99
3. Extended Dollar Value between \$100,000 and \$999,999.99
4. Extended Dollar Value between \$1,000,000 and \$9,999,999.99
5. Extended Dollar Value > \$10 million and unit cost < \$1 million
6. All Items with unit cost > \$1 million

Inventory records for EOM September									
Sample designed by				Census Factor					
Sample selected by				0.8					
Strata	Lower Bound	Upper Bound	Records	Sample Size	Sample Type	Inventory Value	%	Unique Sample Records	Sample Value
I	\$0	\$9,999.99	2,000.00	80	PPS	\$12,950,000.00	10%	80	\$1,000.00
II	\$10,000	\$99,999.99	10,000.00	160	PPS	\$25,900,000.00	20%	160	\$30,000.00
III	\$100,000	\$999,999.99	320.00	320	PPS	\$1,800,000.00	40%	320	\$250,000.00
IV	\$1,000,000	\$9,999,999.99	1,000.00	120	PPS	\$18,475,000.00	15%	120	\$1,000,000.00
V	balance > \$10 million	unit cost < \$1 million	250.00	100	PPS	\$15,000,000.00	13%	100	\$1,450,000.00
VI	all records with unit cost > \$1 million		25	25	PPS	\$10,000,000.00	2%	25	\$10,000,000.00
Combined		Totals:	2,580,275	805		\$129,500,000.00	100%	805	\$12,731,000.00
				0.03%	of total NSNs			0.03%	of total records
								9.83%	of dollar value



Way Ahead

- FY 12 CFO Inventory Sample discussions begin in July
- Probable tweaks to FY12 plan based on FY11 lessons learned
- Submission of FY 2012 observers requests forms must be received no later than August 17, 2012 (2 weeks prior to start of CFO Inventory) to ensure proper coordination with storage locations
- Questions